

BROMSGROVE DISTRICT COUNCIL

EXECUTIVE CABINET

April 4th 2007

UPDATE REPORT DEVELOPMENT OF A SUB REGIONAL CHOICE BASED LETTINGS SCHEME

Responsible Portfolio Holder	Cllr Peter Whittaker
Responsible Head of Service	David Hammond

1. SUMMARY

- 1.1 The report revisits the Council's plans for implementing Choice Based Lettings. This is the Government's policy for the allocation of social housing which it aims to have in place nationwide by 2010.
- 1.2 The report advises of the progress that has been made by the sub regional officer steering group in developing a cross authority Choice Based Lettings Scheme for the South Housing Market Area (Worcestershire, Stratford and Warwick) and the successful result of a bid made to the CLG for financial support towards its implementation.
- 1.3 In September 2006, the Executive Cabinet approved the submission of a countywide bid for government funding towards the implementation of Choice Based Lettings Scheme across Worcestershire.
- 1.4 The bid for funding has been successful and the full bid amount of £207,892 has been awarded towards the implementation of the proposed sub regional scheme.
- 1.5 In order for the sub regional scheme to proceed, all participating councils are being asked to sign up to the scheme by April 2007.
- 1.6 This report now seeks member approval of the implementation proposals set out below.

2. RECOMMENDATION

- 2.1 That the proposals for the implementation of Choice-Based Lettings for the allocation of social housing set out in the report be approved.

3. **BACKGROUND**

- 3.1 **'Choice Based Lettings'** is a Government lead new method of allocating social housing that is designed to replace the conventional points driven housing waiting list approach. The aim of the new approach is to offer people more choice and control over where they live with the objective of creating more settled and sustainable communities.
- 3.2 A Choice Based Lettings (CBL) Scheme allows people to apply for vacancies which are advertised (e.g. in the press or through an interactive website). Unlike the conventional method where RSL / Council officers choose tenants from the waiting list for vacant dwellings, under a CBL scheme applicants can see the full range of available properties and can apply for any home to which they are matched (e.g. A single person would not be eligible for a 3 bed house). Priority is given to those with urgent needs, but where possible, properties are allocated on the basis of who has been waiting the longest. The successful bidder is the one with the highest priority under the scheme. CBL schemes were designed primarily for the allocation of social housing (rented and shared ownership/low cost), but more recently schemes include the availability of privately rented accommodation to promote further choice and to help supplement the availability of social units. Research shows that social housing customers welcome the choice, control and transparency of CBL.
- 3.3 **"Homes for All", the Government's 5-year housing plan, set out the Government's plans for taking forward its choice-based lettings (CBL) policy. The aim is to have in place nationwide choice by 2010. "Homes for All" also made clear that the Government is keen that choice-based lettings systems should operate sub-regionally or regionally, recognising that housing markets do not follow local authority boundaries.**
- 3.4 CLG is therefore committed to ensuring that social housing tenants have more choice and control over where they live. They want to see CBL schemes developed which span local authority boundaries and which bring together all social landlords in an area to offer the widest possible housing choices for tenants and landlords.
- 3.5 **The CLG has set targets for the introduction of Choice Based Lettings. By 2010 all local authorities will have to have adopted a choice based lettings system.**
- 3.6 This Council's new Housing Strategy 2006 – 2011 contains an action to *'consider implementation of Choice Based Lettings at a local or South Housing Market Area level by 2010'* The target for this action to be carried out is September 2006.

4.0 OUTCOME OF THE BID SUBMITTED FOR GOVERNMENT FUNDING TO ASSIST IN THE IMPLEMENTATION OF CBL IN THE SOUTH HOUSING MARKET AREA

- 4.1 The South Housing Market Area Partnership (Worcestershire, Stratford and Warwick housing authorities and partner RSL's) submitted a bid to CLG in September 2006 for £207,892 capital and revenue funding to implement a sub regional Choice Based Lettings Scheme. On the 12th December 2006 we received confirmation that the bid had been successful and that the South Housing Market Area had been awarded the full bid amount of £207,892.
- 4.2 A Sub Regional Implementation Group was established in January 2007 to lead on the implementation of the sub regional scheme.

5.0 DETAILS OF THE PROPOSED CBL SCHEME

5.1 key objectives of the scheme

- To provide a sub-regional choice based lettings scheme across the 8 L.As, providing consistency in the home seeking process cross authority
- To enable home seekers to be empowered to make their own choices about where they want to live
- To ensure the scheme is accessible by all those in housing need, particularly the more vulnerable
- To make the process simpler, more transparent, fair and easy to use.
- To support mobility within the sub-region particularly where local connections are evidenced, in line with the regional Housing Strategy
- To enable applicants to make realistic choices about their housing options with social rented, intermediate and private housing all available via the CBL scheme
- To prevent and reduce the placement of homeless households in temporary accommodation by giving people realistic choices
- Improve the mix and sustainability of local communities

- 5.2 Currently two authorities in the South Housing Market Area operate a CBL system (Wychavon and Warwick). For both schemes the process starts with an applicant registering for the scheme. Properties are advertised showing a photograph, details of the property and any eligibility criteria. Currently properties include socially rented and shared ownership. Both schemes use a range of advertising routes such as internet / Council offices / Town and Parish Council offices / one stop shops & libraries/ telephone. Warwick also advertises in the local newspaper and Wychavon in RSL offices and local supermarkets.

- 5.3 Properties are advertised on a bidding cycle which for Warwick is fortnightly and Wychavon is weekly. Home seekers can bid for properties via the internet / integrated telephony and in Wychavon by text messaging. Vulnerable people are assisted to bid by local support agencies or housing officers. There is a cap on the number of properties an applicant can bid for within any cycle – Warwick limit to 5 bids and Wychavon to 2 bids but with the ability to check their position and to change bids at anytime.
- 5.4 Both schemes operate on bandings – the Warwick scheme is based upon two bands according to need; within each band, points are applied. Band 1 (highest needs) applicants are considered in date order and in Band 2 (lower needs) considered in points priority – the Wychavon scheme operates on three bands according to need and within bands priority is given based on the time registered. The band and date of successful applicants are published to help applicants make informed choices about their housing options
- 5.5 Within the sub-region, 6 of the 8 Local Authorities (L.A.s) have transferred their stock to Registered Social Landlords. Many of the RSLs have stock across a number of the 8 L.A.s as well as other sub-regional areas. It is anticipated that the sub-regional scheme will involve approximately 75 – 100% of the RSL and LA stock. Properties advertised will be socially rented, shared ownership properties and other low cost home ownership. It is anticipated that local private landlords will work with us to advertise their vacancies. This may start on a fairly small scale but will increase with time.
- 5.6 **Greater choice to applicants** - The sub-regional CBL scheme will provide a consistent approach to assisting home seekers across the 8 L.A.'s with a range of tenure options. There will be a common housing application form, allocations policy and banding system for all L.A. areas so that there is consistency in the way that customers apply and are prioritised for housing, with flexibility built in for the individual housing providers, primarily via the advertising of properties, to be able to continue to offer management moves or direct matching to those who need special consideration. This will be particularly beneficial in matching adapted properties to households with a disabled member in housing need.

Adverts will include a photograph of the property, rental/mortgage costs and the eligibility criteria specific to the property. Eventually it is hoped that links can be established to GIS to enable people to view the general area and the nearest facilities e.g. schools, leisure centres etc helping them to make the best choice to suit their needs. Short listed applicants will be offered a viewing prior to accepting the property to give the opportunity for questions and to ensure the home is right to meet their needs.

The partnership has consulted local stakeholders e.g. black & minority ethnic, gypsies, no fixed abodes, disabled people, people with learning disabilities etc and has made contact with relevant organisations such as Ethnic Access, Social Services, and Primary Care Trusts to ensure our communication networks are appropriate to meet the needs of vulnerable and minority groups.

- 5.7 **Greater Choice to the homeless** - The CBL scheme will be a key tool in preventing homelessness by offering people realistic housing options in an open and transparent way, helping people to make choices. Access is identical whether threatened with homelessness or homeless and in temporary accommodation. Priority will be given to statutory homeless applicants to bid for dwellings within the L.A. where they have been accepted as homeless but at the same time they will be able to bid for other properties within the sub-region via the normal banding system.
- 5.8 CLG research has shown that CBL improves the housing prospects of statutory homeless households which will help to reduce the number of households currently in temporary accommodation and meet the government target of a 50% reduction by 2010
- 5.9 **Implementation** – It is anticipated that the sub regional Choice Based Lettings scheme will be rolled out within the next 12 months. The recent implementation of CBL within the Wychavon district was achieved within a 6 month period. This approach and lessons learned are to be applied to enable smooth roll out in partner L.A. areas. The Project Coordinator who implemented the scheme at Wychavon has been seconded to project manage the implementation across the sub-region.
- 5.10 BDC and BDHT have identified key staff members to form a local project group with Amanda Glennie having strategic responsibility and Graeme Anderson, IT Manager at BDHT having technical responsibility and direct liaison with the Project Manager at Wychavon. Both officers are confident that the Dec 2007 implementation date is achievable.
- 5.11 The Council's IT officers have been consulted and it has been confirmed that as the CBL system is a specialised stand alone system there is no requirement for an interface with the Council's systems other than GIS.
- 5.12 As the Council has recently installed a facility for emailing and texting customers, it is envisaged that the revenue running costs may be less than those estimated at Section 7.6 of the report.

6.0 Consultation

- 6.1 Consultation with partners, stakeholders and other voluntary organisations was carried out in June and September 2006. Locally, Bromsgrove officers consulted with attendees of the Equalities Seminar on the 23rd September 2006 and received positive and constructive feedback to the proposed scheme.
- 6.2 The local project group which includes officers from BDC and BDHT are planning more consultation with applicants and residents to raise awareness, give opportunities for feedback and address concerns.

7.0 Financial Implications

7.1 Financial budgeting is being developed on the basis of costing provided by the implementation consultancy commissioned by Wychavon following their tendering process.

7.2 The indicative costs associated with Choice Based Lettings fall into four key areas:

- Initial cost of system – estimated to be in the region of £27,200 per authority.
- Initial cost of a person to implement the scheme £9,000 per authority.
- Annual system maintenance, support and use of a central server – approx £5,000 pa
- Annual cost of freephone and SMS customer access – approx £3,000 pa

7.3 CLG funding will contribute 60% towards Capital funding and 40% towards Revenue funding for setting up the scheme.

7.4 BDC are working collaboratively with BDHT to achieve the tight timescale for implementation which is anticipated for Dec 2007. BDHT have made commitment of staff time to carry out the necessary data cleansing, consultation with applicants and residents and the identification of information for transfer to the new system. Once the new scheme is in place we will expect BDHT to contribute 25% towards ongoing revenue funding in recognition of the 25% of lettings that they currently offer to their own transfer or waiting list applicants.

7.5 Estimated Capital Set Up Costs to BDC:

Initial cost of system	£27,200
Share of Implementation staff	£9,000
Total	<u>£36,200</u>
Less 60% grant from CLG	£21,270

Capital cost to BDC **£14,930**

A capital budget of £25,000 (from the Regional Housing Single Pot Allocation) was approved by the Executive Cabinet in November to meet the capital set up costs.

7.6 Estimated Revenue Costs to BDC

At present it is unclear if there will be any revenue costs in the set up process. Any that are identified will benefit from 40% of CLG grant contribution.

Revenue impact for the current financial year (2007 / 08) is likely to be minimal and will be met from within existing budgets.

The estimated longer term revenue costs of running the scheme will fall upon BDC however it would be reasonable for BDHT to contribute 25% towards the running costs to reflect the potential for them to utilise the scheme to allocate 25% of their lettings (as BDC has 75% nomination rights)

Annual Cost of Freephone and SMS customer access	£3,000 pa
Annual system maintenance, support and central server	£5,000 pa
Estimated Total	<u>£8,000pa</u>
Less 25% (BDHT)	£2,000

Estimated annual revenue cost to BDC (08/09 onwards) £6,000pa

A budget bid was submitted in the bidding round for 07/08, but was unfortunately not approved by Executive Cabinet in February. A full year's revenue expense will not be applicable for 07/08 as implementation does not take place until December 2007. It may also be possible to apply 40% subsidy through use of the CLG grant for any revenue costs in the initial set up period and the balance will be met from within existing budgets.

There will however be a full year revenue requirement to support the scheme from April 2008 onwards.

7.6 Revenue costs may be partly offset by benefit to other costs as research has shown that CBL is followed by an improvement in tenancy sustainment which will impact positively on homelessness and BDHT's management costs.

7.7 CBL has been shown to improve the housing prospects of statutory homeless households which will help to reduce the number of households currently in temporary accommodation and meet the government target of a 50% reduction by 2010.

8.0 EQUALITY AND DIVERSITY

- 8.1 CLG research established that most CBL case studies have seen some diffusion of minority ethnic settlement away from existing areas of concentration and towards 'non-traditional' areas. Consequently, CBL contributes to relieving rather than exacerbating ethnic segregation. The research also found that minority ethnic applicants with little or no English find it difficult to use CBL without the assistance from family and friends or community and voluntary groups. An internet link for customer use at the Customer Service Centre would be required.
- 8.2 Research carried out Festival housing group identified that households from ethnic minority groups were less likely to have internet access at home.
- 8.3 The needs of all diversity groups will be considered during through policy development over the next few months. Voluntary organisations and the caring professions will be briefed to raise awareness of the scheme rules and processes.

9. LEGAL IMPLICATIONS

- 9.1 Which, if any, legislation covers what is proposed.

10. CORPORATE OBJECTIVES

10.1 Objective 1 – Regeneration (Town Centre, Longbridge and Housing)

Empowering those in housing need to understand the supply and demand issues for social housing in Bromsgrove and to have access to a range of housing options beyond social housing that could meet their needs.

Develop a stronger connection with the private rented sector and increase housing options to those in housing need.

10.2 Objective 2 – Improvement (Customer Service, Reputation and Performance)

Offer greater opportunities for mobility through the sub regional scheme. Improve mobility through the advertisement of mutual exchange opportunities. Increase accessibility for minority ethnic and vulnerable groups.

10.3 Objective 3 – Sense of Community and Wellbeing (Community Influence and Community Events)

In most cases research has shown that the introduction of CBL has been followed by improved tenancy sustainment. The tendency for

improved tenancy sustainment should be seen as reflecting improved tenant satisfaction with lettings outcomes. It should also contribute to greater residential stability in what were previously unstable neighbourhoods.

10.4 **Priority 4 – Environment – Clean District and Planning**

As per 10.3 above.

11. **RISK MANAGEMENT**

11.1 Implementation is dependent upon the cooperation of BDHT who carry out the Housing Register and nominations work for the Council under an SLA.

12. **CUSTOMER IMPLICATIONS**

12.1 The implementation plan of CBL includes consultation and awareness raising exercises for residents our first press release was issued on the 22nd Jan 07. The need for staff to be trained in CBL is included in the implementation plan and is an identified cost included in the Capital funding of the scheme.

13. **OTHER IMPLICATIONS**

Please include the following table and spell out any particular implications in the relevant box. If there are no implications under a particular heading, please state 'None':-

<p>Procurement Issues – Advice has been sought from Alex Haslum. Because of the nature of the scheme it would be impractical to separately tender and therefore to make best use of system implemented at Wychavon DC all Districts are supporting extension of this system to the sub region. A tender waiver report will therefore be presented for CEO to consider.</p>
<p>Personnel Implications – None as implementation staffing to be supplied by Wychavon and shared Sub Regionally. Experience elsewhere indicates that CBL can reduce staff inputting time.</p>
<p>Governance/Performance Management "Homes for All", the Government's 5-year housing plan, set out the Government's plans for taking forward its choice-based lettings (CBL) policy. The aim is to have in place nationwide choice by 2010. "Homes for All" also made clear that the Government is keen that choice-based lettings systems should operate sub-regionally or regionally, recognising that housing markets do not follow local authority boundaries.</p> <p>CLG is therefore committed to ensuring that social housing tenants have more choice and control over where they live. They want to</p>

see CBL schemes developed which span local authority boundaries and which bring together all social landlords in an area to offer the widest possible housing choices for tenants and landlords.

The CLG has set targets for the introduction of Choice Based Lettings. By 2010 all local authorities will have to have adopted a choice based lettings system.

Community Safety including Section 17 of Crime and Disorder Act 1998

Providing people with choice where they live promotes personal investment and greater sustainability of communities.

Policy

Introduction of the CBL scheme will necessitate the re writing of the Council's housing allocations policy.

Government Policy

In the Secretary of State's view all housing authorities should adopt an allocation scheme which offers a choice of accommodation and she has set a target for all housing authorities to have done so by 2010. Whilst the 1996 housing act does not specify how authorities should offer a choice of accommodation in the Secretary of State's view the most effective way of doing so is by adopting an advertising scheme.

In January 2005, ODPM published 'Sustainable Communities: Homes for All' the Government's five year housing plan for England. Paragraphs 5.18 to 5.21 of that document set out the Government's choice based lettings policy objectives.

These objectives are:

- To make it as easy as possible for applicants and tenants to move between local authority, housing association and privately owned accommodation by encouraging the extension of choice-based lettings to cover low cost home ownership options and properties for rent from private landlords, as well as social housing;
- To develop choice based lettings schemes on a regional and/or sub regional basis, recognising that housing markets do not follow local authority boundaries;
- To support prospective applicants to choose the housing option which is best for them, including promoting a wide range of options within the district (including low cost home ownership, mutual exchange, the private sector); providing information about 'staying put' options such as aids and adaptations; mobility schemes, including moves from high to low demand areas; property shops and housing advice centres.

Environmental More sustainable communities and potentially better managed estates.
Equalities and Diversity See Sect 8. above

14. **OTHERS CONSULTED ON THE REPORT**

Please include the following table and indicate 'Yes' or 'No' as appropriate. Delete the words in italics.

Portfolio Holder	Yes
Acting Chief Executive	
Corporate Director (Services)	Yes
Assistant Chief Executive	
Head of Service	Yes
Head of Financial Services	
Head of Legal & Democratic Services	Yes
Head of Organisational Development & HR	Yes
Corporate Procurement Team	Yes

11. **APPENDICES**

Appendix 1 Project Plan

12. **BACKGROUND PAPERS**

None

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